

## **DRAFT MEETING MINUTES CITY OF MILPITAS**

**Meeting Minutes:** Regular Meeting of the Redevelopment Agency  
(Including Joint Meeting with the City Council)

**Date:** Tuesday, November 7, 2006

**Time:** 7:00 PM

**Location:** City Hall Council Chambers, 455 E. Calaveras Blvd.

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### **JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

**RA1. CALL TO ORDER** Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 7:23 PM.

**RA2. ROLL CALL** **PRESENT:** Mayor/Chair Esteves, Vice Mayor/Vice Chair Gomez and Agency/Councilmembers Giordano, Livengood and Polanski

**ABSENT:** None

**RA 3. MEETING MINUTES** Motion: approve the Redevelopment Agency minutes of October 17, 2006, including joint meeting with the City Council, as submitted

Motion/Second: Agency/Councilmember Polanski/Vice Chair/Vice Mayor Gomez

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 4. Approval of Agenda and Consent Calendar** Motion: approve the agenda and RDA consent calendar, as submitted

Motion/Second: Vice Chair/Vice Mayor Gomez / Agency/Councilmember Giordano

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 5. Comprehensive Annual Financial Report for FY 2005-06** Finance Director Emma Karlen provided an overview of the financial picture of the City/ Redevelopment Agency, following the City's FY 2005-06 financial statements receiving the Auditors Unqualified Opinion (a positive review). She reported what the auditors found, including a request for clarity of seeming errors on the reporting of time on CDBG-related work. Auditors also recommended that the City develop city-wide fuel and vehicle usage policies.

Highlighted were increased revenues, higher than expected, especially with regard to Building Permit fees. The General Fund had properly maintained a reserve status of approximately 15% of the budget, as required.

For the Redevelopment fund, a \$4 million increase in one year was noted, primarily due to several one-time activities. That included property tax increase in FY06 and the amount required to provide to the state has declined (no more Education Revenue Augmentation Fund) so the City can keep more of its own money. The fund balance at the end of the fiscal year was \$154.4 million.

Councilmember Livengood asked about the \$6 million transfer from the Redevelopment

Agency to the City? What balance remained in that fund? The Finance Director reported that \$29 million was the amount of the whole transaction (real estate sales), with none transferred to date.

Councilmember Giordano inquired of the total amount of the reserve fund. Where was City in the past on it? Ms. Karlen responded that it was up and down in years past. In the mid-1990s, there was not the same reserve level. In 2000-01, the City increased reserves quite a bit when the economy was very good. With three years recently of economic depression, the City had spent down some of its reserve. Now, it had returned back to \$12.4 million, a slight increase, and at its peak, the reserve amount was approximately \$21 million.

Ms. Karlen then went on to discuss the quarterly review of the City's investments, for the first quarter of the current fiscal year. Reported revenues of \$6.12 million were slightly lower than anticipated, including the fact that sales tax had decreased compared to the same quarter one year ago. There were lower revenues in business to business sales, in construction, and the transportation segment of the economy.

Councilmember Livengood inquired as to what was the 13% sales tax decrease attributable? Finance Director Karlen responded that last year, there was an extraordinarily large increase in that same quarter, while it was difficult to sustain the same amount increase for the same quarter year after year.

Mayor Esteves inquired about the Building Permits revenue. He wanted to be clear about the turnaround time for building permit review and issuance, upon noting the increase in revenue for permits. Chief Building Official Keyvan Irranejad responded positively to the inquiry.

Motion: Receive the financial reports from the Finance Director

Motion/Second: Councilmember Livengood/Councilmember Giordano

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 6. First Quarter FY 2006-07  
Financial Status Report**

Finance Director Emma Karlen reported on this matter as noted above (RA5.)

Motion: Receive oral report from the Finance Director on first quarter FY 06-07

Motion/Second: Councilmember Livengood/Councilmember Giordano

Motion carried by a vote of: AYES: 5  
NOES: 0

**\* RA 7. Investment Portfolio  
Status Report, First Quarter**

Received the investment report for the quarter ended September 30, 2006.

**\* RA 8. Amendment to  
Agreement with JMH Weiss Inc.**

1. Authorized City Manager to execute the agreement amendment with JMH Weiss, Inc. in the amount of \$13,120, subject to approval as to form by the City Attorney.
2. Approved a budget appropriation in the amount of \$13,120 from County/City/KB Infrastructure fund into Project No. 8157 for the Abel Street Improvements.

**RA 9. ADJOURNMENT**

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 7:41 PM.

**Respectfully submitted by:**

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**Mary Lavelle, Agency Secretary/City Clerk**